



Ecolodge Development Models

A New Paradigm in Donor Project Interventions

By

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CONTEXT

Private Sector's Pivotal Role in the implementation of ecotourism in LDCs

Based on:

- World Bank/IFC Study on Business, Market, & Technical Assistance Models for Ecolodges
- Competitiveness US AID Model Ecolodge project in Sri Lanka



OBJECTIVES

Improving the Financial Sustainability of Donor Interventions in Ecotourism:

- Channeling Funds Through Local Socially and Environmentally Responsible Companies
- Performing Advance Business & Market Due Diligence
- Funding Monitoring & Evaluation
- Triple Bottom Line Cost-Sharing



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Key Findings IFC Study

- Determinants of Demand
 - Wildlife, Access, Quality of Information, Destination Image
- Ecotourism Business Fundamentals
 - Long break even period of 4-5 years
 - Emerging business sector with 10% annual growth potential
 - Low marketing costs of 10%, high expertise required
 - Need for patient investment, mix of loans and grants

Results of IFC Study

- **Ecolodge Technical Assistance Needs**
 - Market & Business Systems
 - Technical Systems to reduce waste, water, energy
 - Guide & Business Training
 - Triple Bottom Line Approaches
- **Recommended Approach**
 - Business Mentorships
 - Support from Senior Ecotourism Businesses



Sri Lanka Case

Sri Lanka Model

Ecolodge

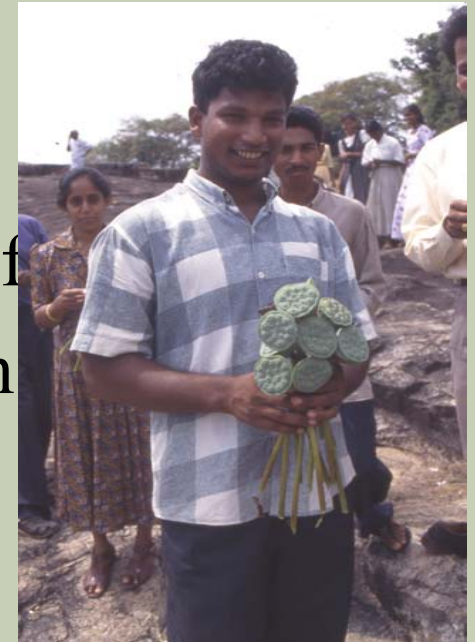
- 4 year research program -- Tourism Cluster Identifies Market Opportunities
- Private Sector Model Ecolodge Company -- \$1 million investment via consortium of leading hoteliers



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Sri Lanka Case

- \$ 900K US AID Support towards:
 - Technical Assistance on Environmental Systems
 - International Market Outreach
 - Guide & Business Training for Staff
 - Community Development Program
 - Trust Fund Strategic Planning
 - Evaluation & Monitoring
 - Biodiversity
 - Sociocultural
 - Economic development



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Strategic Recommendations

Ecolodge Business Models

- Develop competence, awareness, & create alliances within business community
- Develop strategic market approach
- Fund triple-bottom line costs - do not shift this burden onto private sector until there are adequate profits - this is an emerging economy
- Develop long-term plan for replication of model
- Work towards a profitable model that will fund triple bottom line in long-term





For more information:

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